

Congress is poised to OK a state aid package that includes money for educators, Medicaid patients.

Kevin Diaz and Jeremy Herb, *Star Tribune*

WASHINGTON - Flexing their political muscle three months before the critical midterm elections, congressional Democrats are poised to send President Obama a \$26 billion state aid package that includes \$430 million for educators and Medicaid patients in Minnesota.

In a vote that could save some 2,300 school jobs in Minnesota alone, Senate Democrats broke a GOP filibuster Wednesday. Soon after, House Speaker Nancy Pelosi took the rare step of calling members back from their August recess, something that's happened only once before in the last quarter-century.

"I will be calling the House back into session early next week to save teachers' jobs and help seniors & children," the California Democrat announced via Twitter.

The long-stalled Senate measure is expected to pass Thursday, giving Democrats a needed boost heading into fall elections that may turn largely on the economy.

Minnesota budget officials say the state aid -- assuming it passes the Democratic-controlled House next week -- could offset spending cuts from this year's hard-fought budget battle between Republican Gov. Tim Pawlenty and DFLers in the Legislature.

Despite the potential cash infusion to a state facing a nearly \$6 billion deficit, Pawlenty's office criticized Wednesday's actions.

"Congress should not be raising taxes," said Pawlenty spokesman Bruce Gordon. "Minnesota balanced its budget without raising taxes and without relying on this money."

But Minnesota Democrats say they welcome the money, which they say could ease the pain of ongoing revenue losses.

"We currently have no budget reserves," said state Sen. Tom Bakk, DFL-Cook, chairman of the Senate Taxes Committee. "This is a pot of one-time money that's going to help the state bridge its cash flow problems." Earlier this year the state resorted to forced borrowing from school district reserves to help pay the bills.

Federal legislation would extend programs from the \$787 billion economic stimulus bill passed last year, including \$16 billion to help fund state Medicaid programs and \$10 billion for schools.

Minnesota would receive \$263 million in Medicaid funds and \$167 million for schools. The school money would save more than 2,300 jobs, according to figures provided by Sen. Amy Klobuchar, D-Minn.

Klobuchar and fellow Minnesota Democratic Sen. Al Franken voted to end the Republican filibuster, which was defeated 61-38 with the help of Maine Republicans Susan Collins and Olympia Snowe.

"Ensuring that Minnesota can maintain our education and health care standards during these tough economic times is imperative," Franken said. "The vote in the Senate today clears the way for the jobs bill to save thousands of education jobs and help prevent further cuts to important programs like Medical Assistance."

Like Pawlenty, who is a potential 2012 presidential candidate, Minnesota congressional Republicans decried what they view as an emergency session to further runaway deficit spending.

"Clearly, Speaker Pelosi just can't help herself," said U.S. Rep. Michele Bachmann. "The House hasn't even been out a week, and she's already going through spending withdrawals."

Far-flung lawmakers

Still, corralling lawmakers for a vote next week may be no easy task. House members typically disperse widely over the August recess. For example, Rep. Erik Paulsen, R-Minn., was on his way to a family vacation to the Boundary Waters Canoe Area Wilderness on Wednesday, with his office unable to reach him immediately by cell phone.

Some House lawmakers said they are eager to return. "Minnesota is facing a serious fiscal crisis, along with most states," said Rep. Betty McCollum, D-Minn. "Congress needs to act to sustain a fragile economic recovery."

The legislation largely scales back earlier Democratic efforts to extend jobless benefits and tax breaks.

One part provides \$16 billion to help states with their Medicaid budgets, which were cut in Minnesota by an estimated \$51 million for the current budget year, according to state health and human services officials.

"Minnesota and other states need the money," said Steve Francisco, federal policy director at the Minnesota Budget Project, a nonprofit advocacy group. "The condition that the states are in seems to have been getting worse by the hour. So the sooner Congress acts to help stop the bleeding in state budgets, it means states hopefully won't have to make as deep of cuts as they otherwise would."

The measure also contains \$10 billion to help school boards across the country hit with similar budget woes avoid teacher layoffs this fall.

Unlike many other states, Minnesota did not factor the additional federal money into its current budget. Nevertheless, the state faces more than \$5 billion in projected deficits in the next biennium. The bill had heavy backing from teacher and public employee unions. President Obama also requested the additional funding in his budget.